

APPENDIX A

MONTANA PUBLIC SCHOOL GENERAL FUND STRUCTURE IN FY 1991

<p>MAXIMUM GF BUDGET</p> <p>GREATER OF:</p> <ul style="list-style-type: none"> * 135% OF CURRENT YEAR'S FP AMOUNT * 104% OF PREVIOUS YEAR'S GF BUDGET 	<p>DISTRICT VOTED LEVY</p> <ul style="list-style-type: none"> * PROPERTY TAXES * P.L. 81-874 	<p>SELECTED REVENUE FY 91</p> <p>\$67.6M</p>
<p>PERMISSIVE AMOUNT</p> <ul style="list-style-type: none"> * 35% OF FOUNDATION PROGRAM AMOUNT 	<p>PERMISSIVE LEVY</p> <ul style="list-style-type: none"> * NONLEVY REVENUE VEHICLE FEES, INTEREST, TUITION, FLAT TAX, P.L. 874 CASH REAPPROPRIATED * DISTRICT MILL LEVY * STATE GTB AID IF ELIGIBLE 	<p>\$30.8M</p>
<p>TOTAL FOUNDATION PROGRAM AMOUNT</p> <ul style="list-style-type: none"> * 100% OF FP SCHEDULES 	<p>STATE EQUALIZATION</p> <ul style="list-style-type: none"> * 40 MILL LEVY * NET LOTTERY REVENUE * INCOME TAX (41.3%) * CORPORATION TAX (28.5%) * COAL SEVERANCE TAX * U.S. MINERAL ROYALTIES * 15% COAL TRUST INTEREST * SCHOOL TRUST INCOME * COUNTY SURPLUS * DIRECT APPROPRIATIONS 	<p>\$56.7M</p> <p>\$4.2M</p> <p>\$115.9M</p> <p>\$17.8M</p> <p>\$5.7M</p> <p>\$21.9M</p> <p>\$7.0M</p> <p>\$35.9M</p>
	<p>COUNTY EQUALIZATION</p> <ul style="list-style-type: none"> * 33 MILLS FOR ELEMENTARY * 22 MILLS FOR HIGH SCHOOL * OTHER REVENUE VEHICLE FEES, FEDERAL FOREST, TAYLOR GRAZING, MISC. REVENUES 	<p>\$85.1M (55MILLS)</p>

APPENDIX B

LEGISLATIVE INCREASES IN FOUNDATION PROGRAM SCHEDULES

SCHOOL FISCAL YEARS 1951 -- 1991

Legislative Session and Funding Biennium	Foundation Program Schedule Increases Over Previous Biennium	
	Elementary Schools	High Schools
1951 Legislature FY 52 & 53	No increase for biennium	No increase for biennium
1953 Legislature FY 54 & 55	9.9%, average increase ¹ Amounts varied for size	10.4%, average increase Amounts varied for size
1955 Legislature FY 56 & 57	4.7%, average increase	15.3%, average increase
1957 Legislature FY 58 & 59	11.1%, average increase	9.8%, average increase
1959 Legislature FY 60 & 61	4%, average increase	4.7%, average increase
1961 Legislature FY 62 & 63	3% 3%	3% 3%
1963 Legislature FY 64 & 65	4.5%, average increase ² (10.5%, ANB of 301 +)	19.6%, average increase (29.4%, ANB of 601 +)
1965 Legislature FY 66 & 67	6% 6%	6% 6%
1967 Legislature FY 68 & 69	15% 15%	15% 15%
1969 Legislature FY 70 & 71	12% 12%	14% 14%
1971 Legislature FY 72 & 73	4.10% ²³ 4.04%	4.10% 4.17%

Legislative Session and Funding Biennium	Foundation Program Schedule Increases Over Previous Biennium	
	Elementary Schools	High Schools
1974 Legislature ⁴ FY 74 & 75	5% 7.40%	5% 6.8%
1975 Legislature FY 76 & 77	15.9% average increase ⁵ 12.7%	12.5% 12.7%
1977 Legislature FY 78 & 79	7% 7%	7% 7%
1979 Legislature FY 80 & 81	8% 10%	8% 10%
1981 Legislature FY 82 & 83	18% 15%	18% 15%
1983 Legislature FY 84 & 85	4% 3%	4% 3%
1985 Legislature FY 86 & 87	4% 1% ⁶	4% 1%
1987 Legislature FY 88 & 89	No increase for biennium	No increase for biennium
1989 Legislature FY 90 & 91	3% 13.9% (24.4%, ANB of 300+) ⁷	3% 21.5
1991 Legislature FY 92 & 93	No increase for biennium ⁸	No increase for biennium

NOTES FOR APPENDIX B

1. For FY 54 through FY 61 the percent of increase in the foundation program schedule amount varied according to the district ANB size. The average percentage increases have been computed on a weighted basis for consistency of comparison.

2. The Legislature enacted the recommendations of the School Foundation Program Study Committee of the 1961-62 interim, which created new schedules based on a study of the median costs in the

districts' FY 1962 general fund budgets. The percentage increase varied according to the new district size categories, with the largest district receiving the greatest increases, as shown. The new schedules were termed the "maximum-general-fund-budget-without-a-voted-levy" (MGFWV) amount, which was divided into a minimum foundation program guarantee of 75% and a 25% permissive amount that could be triggered by district trustee action.

3. For FY 72 through FY 75, increases were based on the following dollar amounts per ANB: \$14 per elementary ANB and \$20.50 per high school ANB in FY 72; \$16 per elementary ANB and \$21.60 per high school ANB in FY 73; \$19.60 per elementary ANB and \$27 for High school ANB in FY 74; and \$30.40 per elementary ANB and \$38.40 per high school ANB in FY 75.

4. The 1973 Legislature did not act on foundation program schedule increases, but did revamp the funding structure.

5. The Legislature enacted the Office of Public Instruction's recommendation to adjust the schedules based on a study of actual general fund expenditures in FY 74 for districts in the various size categories within the schedules. The changes varied from 6% for the smallest categories to 20% for elementary and high school sizes of 101 to 300 ANB (Chapter 518, Laws of Montana, 1975).

6. The 1985 Legislature enacted 4% increases for both years of the biennium; however, the increase for FY 1987 was reduced in the 1986 June Special Session in attempts to reduce a projected state deficit.

7. House Bill No. 28, the school funding reform package of the 1989 June Special Session, increased the schedules significantly to coincide with legislative intent to disperse through the schedules an amount equal to at least 80% of the general fund and comprehensive insurance fund expenditures of all the districts in the state in FY 1988. House Bill No. 6 of that special session had boosted the FY 90 schedules by 3%.

During the special session, a comparison of FY 1988 schedule funding to actual FY 1988 district expenditures for schools with more than 300 ANB indicted greater reliance on nonequalized funding than for other size categories. The data was used to back the argument that the schedules should be increased by an additional 8.7% for this size of elementary school or district. This adjustment was directed toward 60% of the state ANB count in 73 of the state's largest elementary districts.

8. House Bill No. 982 of the 1991 Session would have increased the schedules by 2%; however, the bill's linkage to House Bill No. 1007, containing an income tax surcharge as a funding mechanism, resulted in nullification of the schedule increases upon the Legislature's failure to override the Governor's veto of that bill.

APPENDIX C

AMOUNTS AND PERCENTAGES OF REVENUE FOR SCHOOL GENERAL FUND BUDGETS (1950 - 1991)

School Fiscal Year	ANB (Pupils)	Total General Fund Budget	Public School Foundation Program	Avg. % from Foundation Program	Permissive Increase Without Vote	Voted Levy	Avg. % from Voted Levies	Avg. General Fund Dollars Per Pupil
1949-50	94,578	\$25,302,000	\$20,541,000	81.2%	\$2,863,000	\$1,898,000	7.5%	\$267.53
1950-51	97,974	26,462,000	21,233,000	80.2%	3,145,000	2,084,000	7.9%	270.09
1951-52	100,287	28,567,000	21,394,000	74.9%	5,393,000	1,780,000	6.2%	284.85
1952-53	101,908	29,729,000	21,624,000	72.7%	5,453,000	2,652,000	8.9%	291.72
1953-54	106,056	32,670,000	24,268,000	74.3%	6,000,000	2,402,000	7.4%	308.04
1954-55	111,648	34,817,000	25,387,000	72.9%	6,434,000	2,996,000	8.6%	311.85
1955-56	116,150	37,725,000	27,657,000	73.3%	7,197,000	2,871,000	7.6%	324.80
1956-57	121,450	40,423,000	28,750,000	71.1%	7,418,000	4,255,000	10.5%	332.84
1957-58	126,883	44,152,000	32,402,000	73.4%	8,362,000	3,388,000	7.7%	347.97
1958-59	130,332	46,822,000	33,662,000	71.9%	8,930,000	4,230,000	9.0%	359.25
1959-60	133,818	50,414,000	35,966,000	71.3%	9,448,000	5,000,000	9.9%	376.74
1960-61	139,034	54,057,000	37,211,000	68.8%	9,688,000	7,158,000	13.2%	388.80
1961-62	144,557	58,454,000	39,582,000	67.7%	11,115,000	7,757,000	13.3%	404.37
1962-63	151,186	62,152,000	41,168,000	66.2%	11,452,000	9,532,000	15.3%	411.10
1963-64	158,089	68,263,000	48,235,000	70.7%	15,183,000	4,846,000	7.1%	431.80
1964-65	162,622	71,582,000	49,464,000	69.1%	16,045,000	6,073,000	8.5%	440.17
1965-66	167,679	77,617,000	53,900,000	69.4%	17,477,000	6,240,000	8.0%	462.89
1966-67	171,212	82,603,000	54,906,000	66.5%	18,111,000	9,586,000	11.6%	482.46
1967-68	176,241	95,192,000	69,261,000	72.8%	16,868,000	9,063,000	9.5%	540.12
1968-69	180,988	102,953,000	70,996,000	69.0%	17,514,000	14,443,000	14.0%	568.84
1969-70	184,673	117,533,000	81,639,000	69.5%	20,265,000	15,629,000	13.3%	636.44
1970-71	186,836	126,489,000	82,629,000	65.3%	20,614,000	23,246,000	18.4%	677.01
1971-72	189,733	134,156,000	86,951,000	64.8%	21,593,000	25,475,000	19.0%	707.08
1972-73	191,958	144,568,000	91,479,000	63.3%	22,814,000	30,275,000	20.9%	753.12
1973-74	195,178	152,950,000	97,468,000	63.7%	24,329,000	31,153,000	20.4%	783.64
1974-75	177,028	177,118,000	108,623,000	61.3%	27,117,000	41,317,000	23.3%	1,000.51
1975-76	174,451	206,360,000	125,814,000	61.0%	31,393,000	49,153,000	23.8%	1,182.91
1976-77	171,944	229,392,000	140,630,000	61.3%	35,110,000	53,652,000	23.4%	1,334.11
1977-78	170,117	249,339,000	150,891,000	60.5%	37,658,000	60,790,000	24.4%	1,465.69
1978-79	167,664	268,282,000	161,854,000	60.3%	40,407,000	66,021,000	24.6%	1,600.12
1979-80	163,276	287,413,000	165,673,000	57.6%	41,353,000	80,387,000	28.0%	1,760.29
1980-81	158,185	313,437,000	172,295,000	55.0%	43,048,000	98,094,000	31.3%	1,981.46
1981-82	154,331	349,496,000	197,301,000	56.5%	49,277,000	102,918,000	29.4%	2,264.59
1982-83	152,107	386,316,000	223,262,000	57.8%	55,765,000	107,289,000	27.8%	2,539.76
1983-84	150,685	410,818,000	230,359,000	56.1%	57,525,000	122,934,000	29.9%	2,726.34
1984-85	151,246	443,231,000	238,613,000	53.8%	59,630,000	144,988,000	32.7%	2,930.53
1985-86	151,558	465,039,000	246,498,000	53.0%	61,611,000	156,930,000	33.7%	3,068.39
1986-87	151,811	475,962,000	247,804,000	52.1%	61,936,000	166,222,000	34.9%	3,135.23
1987-88	150,278	472,642,000	245,161,000	51.9%	61,292,000	166,191,000	35.2%	3,145.12
1988-89	149,317	480,612,000	243,217,000	50.6%	60,791,000	176,604,000	36.7%	3,218.74
1989-90	149,090	521,813,262	253,366,471	47.8%	63,341,603	205,165,189	38.7%	3,552.33
1990-91	148,011	569,839,041 *	376,157,549	45.5%	126,109,050	67,572,442	11.9%	3,848.04

Sources for columns 3, 4, 6, and 7: 1991 Edition of Montana Taxation, Montana Tax Foundation, Inc., and Office of Public Instruction.

* District comprehensive insurance costs now budgeted in general fund.

APPENDIX D

AVAILABLE REVENUE FOR STATE EQUALIZATION AID FOR THE SCHOOL FISCAL YEARS 1950 -- 1981

Fiscal Year	1/4 Income Tax	1/4 Corporation License Tax	U.S. Oil & Gas Roy.	Interest & Income	Coal Tax + Interest	Co. Basic Surplus	Gen. Fund Appropriation	Total
1949-50	\$ 921,712	\$ 412,029	\$ 221,043	\$ ---	\$ ---	\$ ---	\$ 4,300,000	\$ 5,854,784
1950-51	1,108,505	652,241	350,617	---	---	---	4,300,000	6,411,363
1951-52	1,331,598	570,898	286,172	---	---	---	4,665,000	6,853,668
1952-53	1,225,636	401,409	455,284	---	---	---	4,665,000	6,747,329
1953-54	1,267,484	413,285	502,308	---	---	---	2,900,000	5,083,077
1954-55	1,326,103	391,383	409,622	---	---	---	4,665,000	6,792,108
1955-56	1,765,919	570,034	462,883	---	---	---	4,665,000	7,463,836
1956-57	1,625,983	594,002	583,357	---	---	---	5,000,000	7,803,342
1957-58	2,149,711	594,359	766,189	---	---	---	6,400,000	9,910,259
1958-59	2,097,957	756,603	807,317	---	---	---	7,100,000	10,761,877
1959-60	2,369,409	1,174,815	885,855	---	---	---	8,094,469	12,524,548
1960-61	2,981,307	1,169,888	810,852	---	---	---	8,955,554	13,917,601
1961-62	3,039,231	1,100,245	879,550	---	---	---	8,057,374	13,076,400
1962-63	3,508,303	1,189,468	1,018,974	---	---	---	8,577,137	14,293,882
1963-64	3,674,646	1,262,453	1,003,359	---	---	---	10,000,000	15,940,458
1964-65	4,165,654	1,467,809	1,013,438	---	---	---	12,000,000	18,646,901
1965-66	5,467,467	1,637,930	1,070,409	---	---	---	13,699,646	21,875,452
1966-67	5,968,589	1,901,952	1,080,615	---	---	---	13,200,000	22,151,156
1967-68	7,393,413	1,832,176	1,111,735	---	---	---	14,711,598	25,048,922
1968-69	7,805,798	2,017,481	1,697,365	---	---	---	12,500,000	24,020,644
1969-70	9,717,712	2,383,966	1,488,710	---	---	---	17,150,000	30,740,388
1970-71	10,597,896	2,401,452	1,329,015	---	---	---	15,850,000	30,178,363
1971-72	16,553,832	2,713,959	1,278,127	---	---	---	17,575,052	38,120,970
1972-73	19,277,760	3,014,314	1,322,523	---	---	---	19,631,766	43,246,363
1973-74	19,756,093	3,934,040	1,473,475	11,608,671 **	---	349,404	30,059,000	67,180,683
1974-75	22,149,842	5,519,645	2,384,922	14,905,773	---	1,406,660	32,866,000	79,232,842
1975-76	24,380,074	5,755,028	2,243,054	15,390,972	2,203,181	3,286,531	16,879,320	70,138,160
1976-77	27,965,382	6,239,310	<u>3,634,904</u>	15,173,620	3,590,606	3,470,528	31,790,000	91,864,350
1977-78	30,905,200	7,309,693	4,426,414 *	14,854,923	3,159,061	4,231,991	28,820,000	93,707,282
1978-79	35,355,186	9,022,914	4,701,658	17,122,330	3,648,944	7,377,052	26,760,000	103,988,084
1979-80	33,746,825	10,413,444	5,146,239	21,882,375	5,792,922	3,696,054	24,276,875	104,954,734
1980-81	36,509,072	12,094,826	7,380,404	48,265,782	4,693,410	3,326,721	25,156,875	137,427,090

* Chapter 356, L. 1977, increased the percentage from this equalization source from 50% to 62 1/2%.

** Chapter 137, L. 1973, provided that I and I funds would become an equalization source; see Table III for previous years' I and I funds.

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